



State of California

# Employment Training Panel

Arnold Schwarzenegger, Governor

May 29, 2009

Rick Lopez, Western Region Employee Relation Manager  
Smurfit-Stone Container Corporation  
18021 Valley View Avenue  
Cerritos, CA 90703

Dear Mr. Lopez:

RE: FINAL MONITORING REPORT for SMURFIT-STONE III – ET08-0466

Date of the Visit:	05/29/09
Beginning/Ending Time:	9:30 a.m. – 11:30 a.m.
Date of Last Visit:	09/25/08
Visit Location:	Corona
Persons in attendance:	Elizabeth Roma, Human Resources Representative, Smurfit-Stone Margarita M. Paccarelli, Contract Analyst, ETP
Action Required:	No

## CONTRACT INFORMATION:

Term of Agreement:	05/01/08 – 04/30/09	Agreement Amount:	\$74,880
Training Start Date:	5/12/08	No. to Retain:	104
Date Training must be Completed:	01/30/09	Range of Hours:	24 - 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	40

## FINAL REPORT SUMMARY

### • HISTORY OF AGREEMENT CHANGES

The Agreement was executed on June 4, 2008 and training began on May 12, 2008. Ms. Roma reported that all training was completed on November 24, 2008, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement – April 30, 2009.

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ETP (04/15/05)

Since the inception of this Agreement, ETP approved the following changes:

- Modification No. 1, approved on January 2, 2009, added your San Bernardino facility to this Agreement.
- Modification No. 2, executed on January 6, 2009, added computer-based training (CBT) as a training methodology. According to your project staff, it has been determined that production workers will need up to three hours of CBT in production control systems to complement the class/lab training they received in manufacturing skills. No additional funds were requested in this modification.

## • FINAL PROJECT STATISTICS

Your Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 24 and 200 class/lab training hours. There will be no reimbursement for any trainee who does not complete a minimum of 24 hours of training from the required curriculum.

Based on the data obtained from the ETP Online Tracking System, there are 29 trainees who met the minimum class/lab training hours with projected earnings of \$25,475.76 (34% of the Agreement amount). There has been no progress payments received to date.

Ms. Roma was reminded that this Agreement ended in April 30, 2009. At this time, all active trainees must either be dropped or invoiced for final payment. By the terms of the agreement the final contract closeout should have been completed within 30 days of the end term date of the Agreement. The Analyst has given your staff an extension to process the final contract closeout. The closeout invoice and associated documents must be submitted to ETP on or before the close of business on June 30, 2009.

## • INTERVIEW WITH CONTRACTOR'S REPRESENTATIVES

Several factors affected the progress of the training. For one, your key personnel who were overseeing this project (Deborah Thorimbert and Elvia Reynaga) in the middle of the contract term. After Ms. Reynaga left, no additional training has been documented and entered in the ETP Online System.

Although your company did not complete 100%, Ms. Roma reported that the employees greatly benefited from the ETP-funded training. Trainees learned the skills needed to operate the new manufacturing facility in Cerritos.

Ms. Roma was unable to make any comment about the ETP recordkeeping and online system since she took over this ETP Agreement after training has been completed and all the training hours have been entered online. During this visit, Ms. Paccereilli walked her through the invoicing process (progress payment and final payment). The progress payment invoice for all trainees who completed training was completed during this visit. Ms. Paccereilli showed her how to process the final invoice, which she agreed to complete by the end of this month.

**PROJECT STATISTICS PROVIDED BY THE CONTRACTOR:**

Trainees Started Training:	87	Completed Training:	29
Trainees Enrolled:	87	Completed Retention:	29
Dropped Following Enrollment:	58	In Retention Period:	0
No. Completed Minimum Reimbursable Hours :	29		

The project statistics provided by your project staff matches those listed on the current ETP Contract Status Report.

**TRAINING RECORDS**

Ms. Pacerelli conducted a random sampling of 10 trainees who completed training. Records reviewed validated the completion of the training hours required in this Agreement. Records show that these trainees completed between 38 and 109 class/lab training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

**AUDIT**

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

## **RECORD RETENTION**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Margarita Paccarelli at (818) 755-1317 or by email at [mpaccarelli@etp.ca.gov](mailto:mpaccarelli@etp.ca.gov) within ten (10) working days from the receipt of this report.

Sincerely,

### **Signature on file**

Wally Aguilar, Program Manager  
North Hollywood Regional Office

### **Signature on file**

Margarita M. Paccarelli, Analyst  
North Hollywood Regional Office

cc: David Guzman, Chief, ETP Audit & Program Operations Division (via email)  
Kulbir Mayall, ETP Fiscal Manager (via email)  
Elizabeth Roma, Smurfit-Stone (via email)  
Master File  
Project File

Date report mailed to Contractor 6/9/09